

Message Text

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44

ACTION AF-04

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 EB-03 SP-02 INR-05

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FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC PRIORITY 3874

C O N F I D E N T I A L KINSHASA 7109

LIMDIS

E.O. 11652: GDS

TAGS: EFIN, CG, US

SUBJ: ZAIRE'S FINANCIAL PROBLEMS: THE BANKS

REF: KINSHASA 7041

1. I KNOW THAT THE DEPARTMENT IS MORE THAN AWARE THAT THE VARIOUS BANKS WITH A STAKE IN ZAIRE HAVE ABOUT REACHED THE END OF A LONG LINE OF PATIENCE. THE NEAR DEFAULT ON THE LEYLAND BUS LOAN AND THE UPCOMING CRUNCH RELATED TO INGA-SHABA WHICH WERE REFERRED TO IN THE REFTTEL ARE THE MOST OBVIOUS FLASHPOINTS IN THIS NOW SIX-MONTH OLD CLIFF HANGER. THERE ARE OTHERS WHICH ARE EQUALLY TROUBLESOME.

2. CIS HAS JUST INFORMED ME THAT ITS APPLICATION WITH FNCB FOR AN ALREADY APPROVED DRAWDOWN HAS BEEN DELAYED BECAUSE ONE OF THE BANKS IN THE INGA-SHABA SYNDICATE HAS REFUSED TO ACCEPT A CERTAIN CERTIFICATE FROM SNEL BECAUSE IT WAS UNDATED. THE FACT THAT FNCB ON BEHALF OF THE SYNDICATE ORIGINALLY ASKED SNEL TO LEAVE THE CERTIFICATE UNDATED SEEMS TO HAVE BEEN OVERLOOKED IN WHAT IS AN OBVIOUS SEARCH ON THE PART OF THE LAWYERS TO FIND LOOPHOLES WHICH WILL PERMIT THE BANK TO POSTPONE THE DRAWDOWN.

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3. TO BE FAIR, CIS WANTED TO GET THE MONEY IN QUESTION

QUICKLY SO THAT THEY WOULD HAVE A CUSHION WHICH WOULD
TIDE THEM OVER WHAT THEY PERDICT WILL BE DELAYS ON THE
AUGUST DRAWDOWNS DUE TO LATE PAYMENTS PER REFTEL. GOOD
FOR CIS. BUT THE BANKS SEEM TO BE ONE STEP AHEAD AND
HANGING TOUGH. AMEBASADOR VANCE MAY WISH TO CHECK
THIS ONE OUT WITH HIS OLD FRIEND WEHRMAN OF FNCB.
WALKER

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NNN

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